

Filed for intro on 02/02/95
House Bill _____
By _____

Senate No. SB1430
By Gilbert

AN ACT to amend Chapter 896 of the Public Acts of 1978, as amended by Chapter 433 of the Public Acts of 1979, relative to the privilege tax on the occupancy of hotel rooms in certain counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Section 1 of Chapter 896 of the Public Acts of 1978, as amended by Chapter 433 of the Public Acts of 1979, is amended by deleting item (j) from the definitions and by adding the following language as new definitions:

(k) "THE LARGEST MUNICIPALITY" means the largest municipality by population in any county in which this act may apply.

(l) "OTHER MUNICIPALITIES" means each of the municipalities in any county to which this act may apply other than the largest municipality.

(m) "MAYOR" means the mayor of the largest municipality by population in any county in which this act may apply.

SECTION 2. Section 1 of Chapter 896 of the Public Acts of 1978, as amended by Chapter 433 of the Public Acts of 1979, is further amended by deleting Section 10, and by substituting instead the following language:

SECTION 10. EXPENDING AND DISTRIBUTING TAX. The proceeds from the tax levied herein shall be retained by the county government and distributed and expended as follows:

(1) Two-thirds (2/3) of the proceeds shall be assessed for the direct promotion of tourism, and shall be held by the county trustee (1) for payment to the tourist commission of its budget expenditure (2) for retirement of any bonds issued by the county for the acquisition, construction and equipping of a tourist related facility, and for operation and maintenance of the same and (3) for payment of lease or financing obligations to a Public Building Authority operating pursuant to the provisions of the Public Building Authority Act of 1971 to defray cost of its constructing, acquiring, equipping, maintaining and operating a tourist related facility within the definition of this act within such county. The accounting department of the county shall issue warrants for payments of the budgeted expenditures in accordance with the normal accounting procedures of the county.

(2) One third (1/3) of the proceeds collected from hotel/motel(s) located within the boundaries of "other municipalities" shall be distributed and deposited (1) fifty percent (50%) in the General Fund of the county and (2) fifty percent (50%) in the General Fund of said "other municipalities" for use by the respective governments for tourist related grants, for retirement of any bonds issued by the county or municipality for the acquisition, construction and equipping of a tourist related facility, or operation and maintenance thereof, and for a payment of county or municipal lease or financing obligations to a Public Building Authority to defray costs of its acquiring, constructing, equipping and operating a tourist related facility.

(3) Of the remaining proceeds, one-third (1/3) of the proceeds shall be deposited (1) fifty percent (50%) in the General Fund of the county and (2) fifty percent (50%) in the General Fund of the largest municipality, for use by the

respective governments for tourist related grants, for retirement of any bonds issued by the county or largest municipality for the acquisition, construction and equipping of a tourist related facility, or operation and maintenance thereof, and for payment of county or municipal lease or financing obligations to a Public Building Authority to defray costs of its acquiring, constructing, equipping and operating a tourist related facility.

SECTION 3. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of any county having a population of not less than three hundred thirty-five thousand (335,000) nor more than three hundred thirty-six thousand (336,000), according to the 1990 federal census or any subsequent federal census. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body of such county and certified to the secretary of state.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 3.